GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:120
ANSWERED ON:31.07.2006
IMPLEMENTATION OF CONSUMER PROTECTION ACT ,1986
Jha Shri Raghunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Consumer Protection Act, 1986 has not been implemented effectively by the implementing agencies;

(b) if so, whether the consumer courts and additional benches recommended by the Government have not been established several years after the issue of the notification;

(c) if so, the reasons therefor and the action taken in this regard;

(d) whether a large part of the Consumer Welfare Fund remained unutilised in the absence of any specific scheme;

(e) if so, the details thereof and the reasons therefor; and

(f) the steps taken to ensure better utilization of funds in future?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a) to (f): A statement is laid on the table of the house.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF LOK SABHA STARRED QUESTION NO. 120 FOR 31/07/2006 REGARDING IMPLEMENTATION OF CONSUMER PROTECTION ACT, 1986

(a) to (c): The provisions of the Consumer Protection Act, 1986 are being implemented by the three-tier Consumer Disputes Redressal fora functioning at District, State and National level. The effectiveness of their performance is evident from the fact that of the nearly 26 lakh cases filed till June, 2006 before these fora, about 87% of the cases already stand disposed of.

It is the responsibility of the Central Government to establish the National Consumer Disputes Redressal Commission (NCDRC) at the national level. The Commission has been functioning with 3 benches at present. Additional members are appointed depending on the work load of the Commission.

The State Governments have the responsibility of setting up consumer fora at District and State levels. At present, there is a District Forum in every district and a State Commission in every State as per the provisions of the Act. On the recommendations of the NCDRC, the Central Government has requested certain States to establish additional District Forum in the Districts with heavy load of cases and additional benches of the State Commission in order to speed up the disposal of consumer grievances pending before the State Commission. The State Governments concerned have to take decisions in this regard depending on the availability of budgetary resources.

(d) to (f): The Consumer Welfare Fund (CWF) has been constituted by Ministry of Finance, Department of Revenue under the Central Excise and Salt Act, 1944. It is operated by Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs with the overall objective of providing financial assistance to promote and protect welfare of the consumers and strengthen the voluntary consumer movement in the country, particularly in the rural areas. It is a non-lapsable fund which is utilized for financing any worthwhile programme for consumer welfare in conformity with the guidelines and Rules notified under the said Act. A number of projects have already been financed from out of the Fund which include financial assistance to State Governments/Union Territory Administrations for setting up State Consumer Welfare Fund for which seed money at the ratio of 50:50 (Centre:State) is given to the State Governments/UT Administrations as one time grant. For North Eastern and other special category states, the ratio is 90:10 (Centre:State). The scheme for setting up of Consumer Clubs in schools and colleges has been decentralized for which allocations are made to the State Governments in proportion to the number of districts in the State/UTs. Department of Consumer Affairs has initiated a number of steps to promote a responsible and responsive consumer movement in the country, which are in line with the best practices in developed countries. These include, setting up of the Consumer Online Resource & Empowerment (CORE) Project, the National Consumer Helpline Project, IIPA Consultancy Project and a project for Comparative Testing of products.